

1 Kathryn L. Johnson (#19150)
2 Law Office of Kathryn L. Johnson, PLC
2 E. Congress Street, Suite 900
Tucson, AZ 85701
3 (520) 743-2257; (520) 743-2231 facsimile
Attorney for Debtors

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UNITED STATES BANKRUPTCY COURT

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DISTRICT OF ARIZONA

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In Re:) In Proceedings Under Chapter 13
8 RALPH F. GARCIA,)
9 DIANE M. GARCIA,)
10 Debtors.)

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RALPH F. GARCIA,) Adversary Proceeding
DIANE M. GARCIA,) Case no.: 4:10-ap-00069-JMM
13 Plaintiffs,)
14 v.)
15 HUGHES FEDERAL CREDIT UNION,) STIPULATION REGARDING
16 Defendant.) THE EXTENT AND VALIDITY
17) OF LIEN

18 This Stipulation Regarding the Extent and Validity of the Lien held by Hughes Federal
19 Credit Union ("Stipulation") is entered into by and between Ralph F. Garcia and Diane M.
20 Garcia, ("Debtors"), by and through their attorney of record, Kathryn L. Johnson, and Hughes
21 Federal Credit Union, by and through its attorneys, Tilton & Solot.

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RECITALS

23 1. Debtors' homestead is located at 7370 S. Via Del Promontorio, Tucson, Arizona
24 85746 ("Debtors' Homestead").

25 2. On or about December 29, 2009, Debtors filed a voluntary petition under Chapter
26 13 of the United State Bankruptcy Code in the United States Bankruptcy Court for the District
27 of Arizona. The case was assigned Case No. 4:09-bk-33587-JMM. Thereafter, Debtors filed an
28 adversary proceeding, and the case was assigned Case No. 4:10-ap-00069-JMM.

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2 3. Citimortgage Inc., as assignee, is believed to be the current holder of a promissory
3 note in the original principal amount of \$170,445.00 and which is secured by a first Deed of Trust
4 against Debtors' Homestead.

5 4. The first lien was recorded in the office of the Pima County Recorder in or about
6 July 21, 2005.

7 5. Hughes Federal Credit Union (hereinafter "HFCU") is believed to be the current
8 holder of a promissory note in the original principal amount of \$88,000.00, and which is secured
9 by a second Deed of Trust against Debtors' Homestead.

10 6. The HFCU second lien was recorded in the office of the Pima County Recorder
11 in or about May 8, 2007.

12 7. The HFCU second lien is junior and subordinate to the first lien.

13 8. An appraisal undertaken of Debtors' Homestead in January, 2010 reveals that the
14 market value of Debtors' Homestead, at the time of the appraisal, is \$109,000.00.

15 THE PARTIES HEREBY STIPULATE AS FOLLOWS:

16 1. HFCU's claim shall be treated, classified and allowed as a non-priority general
17 unsecured claim in the Debtor's Chapter 13 Plan,

18 2. The avoidance of HFCU's Second Deed of Trust is contingent upon the
19 confirmation of the Debtors' Chapter 13 Plan;

20 3. The avoidance of HFCU's Second Deed of Trust is contingent upon the
21 Debtors' full performance and completion of their Chapter 13 Plan;

22 4. The avoidance of HFCU's Second Deed of Trust is contingent upon the
23 Debtors' receipt of a Chapter 13 discharge.

24 5. Upon receipt of the Debtors' Chapter 13 discharge and completion of their
25 Chapter 13 Plan, HFCU shall promptly record a reconveyance of its Second Deed of Trust
26 against the Subject Property with the Pima County Recorder's Office;

27 6. In the event of either the dismissal of the Debtors' Chapter 13 case or the
28 conversion of the Debtors' Chapter 13 case to any other Chapter under the United States

1 Bankruptcy Code, HFCU shall retain its lien for the full amount due, HFCU's lien shall not be
2 avoided, and HFCU's claim shall be treated as a secured claim.

3 7. Each party shall bear their own attorneys' fees and costs incurred in the present
4 Adversary Case No. 4:10-ap-00069-JMM.

5 8. The terms of this Order shall be incorporated by reference in an Order
6 confirming the Debtors' Chapter 13 plan in the bankruptcy Case No. 4:10-bk-33587-JMM.

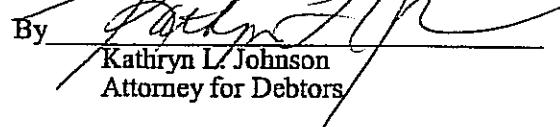
7 IT IS SO STIPULATED:

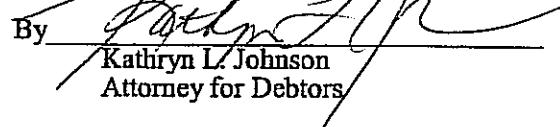
8 Dated: June 15, 2010



Tilton & Solot
Attorney for HFCU

10 Dated: 6/15/10



By 
Kathryn L. Johnson
Attorney for Debtors

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